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August 23, 2011

Chip Humphrey
U.S. Environmental Protection Agency, Region 10
805 SW Broadway, Suite 500
Portland, OR 97205

Kristine Koch
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 900, M/S ECL-115
Seattle, WA 98101-3140

Re: EPA letter dated August 11, 2011 providing direction to LWG on alternatives to be evaluated in the Draft Feasibility Study (Lower Willamette River, Portland Harbor Superfund Site, USEPA Docket No: CERCLA-10-2001-0240)

Dear Ms. Koch and Mr. Humphrey:

This letter responds to the United States Environmental Protection Agency ("EPA") letter dated August 11, 2011 and Kristine Koch's related e-mail dated August 12, 2011. The Lower Willamette Group ("LWG") understands EPA's letter directs the LWG to incorporate EPA's Alternatives E, F, and G as provided in the attached Table 1 into the draft Feasibility Study ("FS").

The LWG has not had adequate time to fully evaluate and understand the technical nuances of EPA's directives. However, the LWG will comply with EPA's directives and will include EPA's Alternatives E, F, and G in the draft FS, assuming EPA accommodates the needed additional time to complete the new work and ensure that all alternatives are addressed with the same high quality. It is also our understanding that Alternative G will be subject to a screening level evaluation. Also, consistent with EPA's letter, the draft FS will include LWG's proposed Alternatives B, C, and D, which are also shown in the attached table, as well as alternative A, which is the no action alternative. As previously discussed, the LWG will notify EPA if any adjustments are made to any of these alternatives during the detailed evaluation.

Although the LWG agrees to move forward with the EPA directions, we respectfully note that the LWG does not agree with several aspects of the basis for developing the alternatives that EPA provided as an attachment to the August 11, 2011 letter. The LWG will discuss our technical perspective on these issues in the draft FS.

On July 28, EPA agreed to the LWG's proposed resolution of most of EPA's July 15, 2011 directive FS Key Elements comments. Those agreements are described in the LWG's July 27,

2011 “Proposed Path Forward for EPA FS Key Elements Comments, July 29 Dispute Items Only.” Two sets of directive comments remained unresolved: (1) EPA comments 8 through 12, concerning alternatives and RALS, and (2) comment 16, concerning volume calculation methods. The LWG understands that the above agreement on alternatives and RALs for the draft FS fully addresses and resolves comments 8 through 12.¹ Further, the LWG will not dispute the direction in comment 16, but the LWG believes the EPA approach is technically less accurate and will substantially underestimate volumes in areas of shallow contamination and overestimate volumes in areas of deep contamination. The LWG will address the uncertainties associated with the volume calculations in the draft FS (e.g., as part of the sensitivity analysis). Therefore, the LWG believes that all directive comments provided by EPA’s July 15, July 28 and August 11 letters, as well as all other correspondence or communication concerning the FS Key Elements, are resolved, subject to an agreement on the FS submittal schedule extension.

As you are aware, the project schedule directed by EPA in February 2011 included a November 15, 2011 submittal date for the draft FS. This directed schedule was already very aggressive and provided no room if subsequent substantial changes were directed by EPA. EPA’s most recent directed changes are substantial and hence will have schedule and cost impacts. Adding alternatives, in addition to the other revisions directed by EPA, requires additional time. EPA has requested that the LWG discuss the schedule implications in a separate communication. However, it is important to note that the computer modeling of the additional alternatives will require a significant amount of additional time (e.g. months). It is not about simply adding human or financial resources; the FS evaluations must be developed sequentially on a schedule constrained, in large part, by the mechanical and technical limits of the state-of-the-art computer model specifically developed for the Portland Harbor Site.

While completion of the FS in a timely manner is important, the LWG remains committed to completing a technically defensible and compliant work product as our top priority. We know EPA has received many comments and queries from the community, congressional leaders and local business leaders that they want to see the project move forward as soon as possible. The LWG agrees that after ten years and \$90 million in investigation and oversight costs we are also eager to move forward toward a protective and cost effective remedy for the Portland Harbor Site. Given that EPA has directed development of additional alternatives, a few extra months of time to get it right and at the level of quality necessary are worthwhile and will assure the public the tools are there for EPA to make one of the most important environmental decisions in the history of Oregon.

We hope to receive EPA’s written concurrence prior to the current dispute deadline of August 25, 2011 that, based upon the agreements stated in this letter, the FS alternatives, RALs and other FS Key Elements provide a sufficient range of alternatives to meet the LWG’s obligations under its Administrative Settlement Agreement and Order on Consent (“AOC”) and are consistent with CERCLA and the National Contingency Plan. In the meantime, we will be discussing the schedule with EPA on the assumption that we are in agreement on this path forward. If we do not receive EPA’s agreement or an extension to the dispute deadline prior to August 25, for the reasons stated herein, the LWG respectfully invokes dispute resolution under Section XVIII of

¹ Note regarding Comment 9 that the LWG will provide in the draft FS surface-area weighted concentrations achieved for all so called “primary and secondary” contaminants for which PRGs exist that are above background and consistent with the risk assessments.

the AOC, although we hope that we would be able to come to agreement on these terms within the fourteen day informal negotiation period.

We appreciate EPA's continuing efforts to work with the LWG toward the submission of the FS. Please give me a call if you have any questions.

Sincerely,



Bob Wyatt

cc: Confederated Tribes and Bands of the Yakama Nation
 Confederated Tribes of the Grand Ronde Community of Oregon
 Confederated Tribes of Siletz Indians of Oregon
 Confederated Tribes of the Umatilla Indian Reservation
 Confederated Tribes of the Warm Springs Reservation of Oregon
 Nez Perce Tribe
 Oregon Department of Fish & Wildlife
 United States Fish & Wildlife
 Oregon Department of Environmental Quality
 LWG Legal
 LWG Repository

Table 1. Summary of Remedial Action Levels (RALs) in ug/kg for Alternatives in the Draft FS per EPA's August 11, 2011 Letter.

Contaminant	LWG Alternative B	LWG Alternative C	LWG Alternative D	EPA Alternative E	EPA Alternative F	EPA Alternative G (screening evaluation)
Total PCBs	1000	750	500	200	75	50
BapEq	20000	15000	8000	4000	1500	600
Sum DDE	1000	1000	200	50	20	10
Sum DDD	NA	NA	NA	100	50	15
Sum DDT	NA	NA	NA	150	60	20
Total DDx*	NA	NA	NA	300	160	40
2,3,4,7,8 PCDF	NA	NA	NA	0.020	0.010	0.005
Benthic Risk	Reduced CBRA	CBRA	CBRA	CBRA	CBRA	CBRA

*Note EPA's August 11, 2011 letter allows LWG to select use of either Total DDx RALs or the combination of Sum DDD, DDE, and DDT RALs in determination of Alternatives E, F, and G. The LWG has not yet decided which approach to take, and this determination will be presented in the draft FS.

CBRA - Comprehensive Benthic Risk Area. "Reduced" CBRA refers to LWG's specific proposal to exclude benthic areas estimated to naturally recover in approximately 5 to 10 years as presented to EPA in the June check in.